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KINETIX SYSTEMS HOLDINGS LIMITED

健冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

PROFIT WARNING

This announcement is made by Kinetix Systems Holdings Limited (the “**Company**”), and together with its subsidiaries, the (“**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 (the “**Current Year**”) and the information currently available, the Group is expected to record a net loss of approximately or not less than HK\$20.6 million as compared to the net profit of approximately HK\$9.6 million for the year ended 31 December 2020. Based on the information currently available to the Board, the turning from profit to loss was mainly attributed to (i) the decrease in gross profit of different segment; (ii) the decrease in other income, other gains and losses mainly due to decrease in government subsidies; (iii) the increase in selling and administrative expenses mainly due to increase in staff cost; and (iv) the increase in depreciation and amortisation, which was partially offset by (v) the increase in reversal of expected credit losses.

The Company is still in the process of finalising its financial results for the Current Year. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the

Group for the Current Year and the information currently available, which have not been reviewed by the audit committee of the Company or audited by the Company's auditors. The above information may be subject to adjustments. The actual financial results for the Current Year may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the final results announcement of the Group for the Current Year, which is expected to be published on or about 31 March 2022 in accordance with the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kinetix Systems Holdings Limited
Yu Larry
Chairman

Hong Kong, 24 March 2022

As at the date of this announcement, the Board comprises Mr. Yu Larry, Mr. Leung Patrick Cheong Yu and Mr. Law Cheung Moon as executive Directors; Ms. Chen Jie and Mr. Tang Biao as non-executive Directors; Ms. Lam Shun Ka, Dr. He Dazhi, Mr. Li Xiaoping and Mr. Tong Tsz Kwan as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the GEM's website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.kinetix.com.hk.